

VZCZCXYZ0001
PP RUEHWEB

DE RUEHTU #0787 1981711
ZNR UUUUU ZZH
P 161711Z JUL 08
FM AMEMBASSY TUNIS
TO RUEHC/SECSTATE WASHDC PRIORITY 5335
INFO RUCPDOG/USDOC WASHDC PRIORITY
RUCNMGH/MAGHREB COLLECTIVE

UNCLAS TUNIS 000787

SENSITIVE
SIPDIS

STATE FOR NEA/MAG (STEWART), EB/TRA/AN (FINSTON),
EB/CBA (WINSTEAD AND GILMAN)
USDOC FOR ITA/MAC/ONE (NATHAN MASON),
ADVOCACY CENTER (REITZE)
CASABLANCA FOR FCS (ORTIZ)
LONDON AND PARIS FOR NEA WATCHER

E.O. 12958: N/A
TAGS: [EAIR](#) [ETRD](#) [EINV](#) [TS](#)

SUBJECT: Tunisiar Aircraft Purchase Goes to Airbus

Summary

¶1. (U) Tunisian National Air Carrier, Tunisiar, confirmed its order and signed a purchase agreement for 16 aircraft from European aircraft manufacturer, Airbus. It also signed an industrial partnership that will create 200 jobs in the aeronautic sector in Tunisia. End Summary.

Airbus Order

¶2. (U) During a July 15 press conference at Farnborough, England International Air show, the CEO of Tunisiar, Nabil Chattaoui, signed a contract for the purchase of three A350 XWB-800, three A330-200 and ten A320s. Based on the catalog price-list, the transaction is valued at nearly \$2 billion. An agreement in principal on the sale had been previously concluded in April during the visit to Tunisia of French President Nicolas Sarkozy.

¶3. (U) According to local press reports, Chattaoui said that the Airbus order demonstrates Tunisiar's confidence in the aircraft and the long-term strategy of Tunisiar. He explained that the new aircraft would give Tunisiar the capability to extend service to Asia and North America and would promote its regional positioning.

Creation of 200 Jobs in the Aeronautic Sector

¶4. (U) Chattaoui also signed an industrial partnership agreement between Tunisiar and Airbus through which promises to create 200 new jobs in the aviation sector in Tunisia. A spokesman for Airbus told Reuters that the partnership would focus on components, but gave no further details.

Comment

¶5. (U) Before the April visit of Nicolas Sarkozy to Tunisia, frequent press reports spoke of the intention of Latecoere, a French company manufacturing aeronautic components for Airbus, to expand its operations in Tunisia. Latecoere reportedly planned to open a new factory in Tunisia and create 2000 new jobs. Shortly after the April agreement in principal awarding Airbus the Tunisiar contract, negotiations between Airbus and Latecoere fell through. These failed negotiations dealt with Latecoere purchasing two Airbus

factories in the South of France. These two Airbus factories were to become the main supply source for the new Latecoere plant in Tunisia. As the result of the breakdown in Airbus/Latecoere negotiations, Latecoere cancelled its plans to invest some \$150 billion building the new plant in Tunisia and along with it the projected 2,000 additional jobs for Tunisians. It is not yet clear how Airbus will fulfill the industrial partnership agreement it to create the announced 200 jobs.

¶6. (SBU) There remains a slight possibility that Tunisair will conclude a deal with Boeing for three firm 737s and one optional 737 for delivery in 2015 and 2016. Boeing had extended this offer until June 30 and was told that Tunisair had made its recommendation to the Government of Tunisia which is still studying it. The Boeing offer also included a partnership between Boeing's subsidiary, the Jeppesen Company, and the Aviation Training Center of Tunisia, ATCT. Post will report updated information as it becomes available. End Comment.